



**TYRONE
ACCOUNTANCY
SERVICES**

March 2014

Client Newsletter



Pre-tax year end planning!

The 5 April is coming around fast again. Now is the perfect time to ensure you will be paying the least amount of tax you legally need to pay! Below addresses some of the tax planning opportunities to consider ahead of 5 April 2014:

1. Review your capital expenditure

Are you thinking of investing in some new plant or machinery over the next few months? If so, consider doing so before 5 April, to ensure you get your tax relief a year earlier.

2. Accelerate business expenditure

Is there some expenditure you have been putting off, but know you will need to spend money on over the next few months, eg repairs, marketing. Just like the capital expenditure, it will give you tax relief a whole year earlier if you go ahead with this before 5 April. Of course don't spend money simply to save tax, but if it is something useful then at least you will benefit from the tax relief early!

3. Look at personal allowances

The tax free personal allowance for 2013/14 is £9,440 so ensure the allowances of spouses/family members is fully utilised, where possible.

4. Consider tax efficient savings/investments

The 2013/14 ISA allowance lets you save up to £11,520 in an ISA up to 5 April 2014 tax efficiently. You can pay all of this into a stocks and shares ISA or keep up to £5,760 of the total allowance in a cash ISA. The interest you will receive on an ISA is tax free.

5. Pensions

Investing in a pension scheme provides tax breaks. Your employer or limited company can obtain tax relief on contributions made. We can recommend an IFA to provide pensions advice for you.

6. Inheritance tax (IHT) planning

IHT is charged on the amount of an estate that exceeds the threshold after death (£325,000 for 2013/14) after taking into account available reliefs. Your estate is all of the assets you own, including any property. Early planning is essential to minimise your liability to IHT. Everyone has an annual gift exemption that allows you to give up to £3,000. You can also make small gifts of up to £250 to as many people as you like and they will be exempt from IHT. Other exemptions may apply eg gifts on marriage. Your IHT planning and Will making can be looked at together, so do contact us to discuss such matters and to look into other pre year end planning opportunities available to you.

Following the success of our Business Wealth Club Launch, the Mid Ulster Club is now well underway with a growing membership base. Club meetings and workshops are currently ongoing twice a month, with our members constantly improving business skills and developing new ideas to implement in their businesses, together with making new business connections with like-minded business owners.

The Business Wealth Club is a great way for business owners to receive training and mentoring to assist with the various aspects of running a successful business.

We have received very positive feedback from our members on our recent two workshops, 'The 7 Deadly Sins of Networking' and 'Successful Systems Building' with many more exciting and valuable workshops to come!

Anticipation is building within the camp as we have the founder of The Business Wealth Club, Paul Avins, coming to Omagh on the morning of **16 April 2014**. We are in the process of organising a large event at which Paul will speak to business owners from all over the region. He will discuss his struggles and successes and share his tips on how he has become one of the UK's leading business people.

This event is available to ALL business people and entrepreneurs across the province, whether you are a member of The Business Wealth club or not. We feel that having one of the UK's leading businessmen come to the area is such a great opportunity for you and your colleagues to develop your business knowledge and receive valuable advice. Don't miss it!! Spaces are limited at this event so contact Megan via the details below to secure your place.

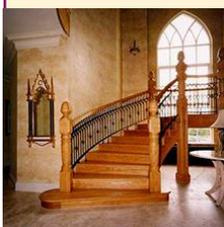
We are always looking to hear from pro-active business owners and would be delighted for you to join our members. If you think the Business Wealth Club could benefit you and your business then please contact Megan at megan.mcdonnell@businesswealth.com or call 02882254425. Alternatively you can check us out online at www.thebusinesswealthclub.co.uk/northernireland to learn more about the whole experience and how you could benefit from being part of this growing Club.

We would like to take this opportunity to thank all our current members for their continued dedication.

Client Spotlight: Alan Lyons

Lyons & Ward Woodcraft

Based in Mountfield, Co Tyrone, Lyons & Ward Woodcraft Ltd are specialists in designing bespoke handmade furniture.



Whether it's a custom set of staircases you require or kitchen or bedroom furniture or other occasional handcrafted furniture that you would like, Alan Lyons and his team can provide you with the ideal furniture to suit your individual needs.

Alan has been involved in designing distinctive, quality furniture for customers for over 20 years.



The company is a close, family run business which creates stunning furniture, and settles for nothing less than 100% customer satisfaction, based on the high level of workmanship and attention to detail.

Lyons & Ward has now branched into delivery services for the convenience of their customers.



You can contact Alan Lyons at Lyons & Ward Woodcraft Ltd by calling 028 8077 1457 or on his mobile at 07919 542 772. Alternatively if you prefer to send an email, you can contact Alan at alanlyons117@btinternet.com.

Why not support the company by liking their Facebook page where you will learn more about the company and can see their photo gallery of beautiful furniture.

As a valued client of Tyrone Accountancy Services and a founding member of The Business Wealth Club Mid Ulster, we wish Alan and his team at Lyons & Ward Woodcraft Ltd continued success.

The importance of having a Shareholder / Partnership Agreement in place

Let's say you own a small company with one partner and you are both employees with equal ownership of the company. For argument's sake, let's say you have been operating without a formal partnership agreement for a year and a half and the money is really starting to roll in. Suddenly, without prior notice, your partner has a life changing event. This might include personal bankruptcy, long term sickness or even worse, a sudden death. Do you know what effect this will have on your business? Who will own your partner's shares? Do you have the right to buy those shares in any of these cases?

A properly drafted and regularly reviewed partnership or shareholder protection agreement can help the business owners to continue trading following the loss of a key member of the business, as it means that the remaining business owners can choose to buy out the interest of a critically ill or deceased business owner. It also helps to ensure that the business owner's family receives the full value of their interest in the business on death.

Without this type of cover, control of the business could pass under the terms of the deceased's will to someone who has no experience of, or no interest in, the day to day running of the business. The new owner may wish to run it in a way that is unacceptable to the other owners or even want to sell their share rather than becoming involved in the business.

With suitable cover and a suitable arrangement in place, the remaining owners do not have the issue of raising capital to buy out a business owner who is critically ill, or the heirs of a business owner who has died, and allows them to keep control of the business.

If a partnership has not drawn up a partnership agreement, under current law the partnership will end on the death of any of the partners.

Seamus Arkinson
Dip PFS MAQ

**positivesolutions**
altogether individual

Tommy takes on Hell & Back



the course.

HELL & BACK is not just a hill run / mountain run / assault course / road race / hill walk / adventure race, but a combination of the best parts of all these pursuits! The time it takes for you to complete the course is not important - making it through the challenge in one piece is!!!

So a HUGE congratulations to Tommy for taking on and surviving this challenge once again!

On 2 February our Managing Director Tommy Strain headed off to the private Killruddery Estate in Bray, Co. Wicklow to take on Hell & Back, Ireland's toughest physical and mental endurance challenge.

This is Tommy's second year taking on the 12km challenge which was designed by an ex-member of the elite Army Range Wing. All 3237 competitors crawled under barbed wire, climbed through fields and rivers, ran through a 100ft maze of electric shocks and negotiated tunnels throughout



VAT refunds for DIY House Builders

Are you building a new home? Whether you do the work yourself or have it done for you, you may be able to reclaim the VAT you pay on some of the building materials and conversion services you use.

When building a qualifying new residential property, VAT is incurred at 20% in the UK on materials purchased directly. If a new home is purchased from a property developer, the sale will be zero-rated, and so the aim of the scheme is to put the DIY builder in the same position as they would be had they purchased their home directly.

You cannot claim as the work goes along - you have to wait until it is finished according to the original plans and only the VAT incurred on building materials can be reclaimed. You cannot recover VAT paid on contractor's services. In doubt, you can wait until the local planning authority issues a certificate of completion.

A claim must be made within three months of completing your building work. However if you are unable to do so within this timeframe you must write to HMRC to explain the reason for the delay. If the claim is not made within three months of completing the building work or receiving your letter of completion from the local planning authority then **under no circumstances** will HMRC accept or process your claim.

The claim must be accompanied by original invoices which must be valid VAT invoices.

As a summary, the evidence to be sent with the form is as follows:

- Full Planning Permission Or Outline Planning Permission and Approval of Reserved Matters (Note: both documents are needed)
- Completion Certificate or other acceptable evidence
- A full set of building plans
- Original invoices filed in the same order as listed on the schedules

HMRC will acknowledge receipt of your claim by letter within ten working days and try to ask any questions they have about your claim. You should normally get your refund within 30 banking days of them receiving your claim.

If you are not intending that you or your family will live in the property, or use it for holiday purposes, but will either sell, let out, or put to some other business purpose, you CANNOT claim VAT either.

So don't lose out! Get your DIY Self-Build Claim in within 3 months of receiving your letter of completion and get the money which you are entitled to. Luckily we can help you with this and our VAT manager Colette Cassidy is experienced in assisting clients with their VAT DIY claim, so please do contact us in good time.



Colette Cassidy
VAT manager

Employment Allowance: up to £2,000 off your Class 1 National Insurance Contributions

The forthcoming allowance, available from 6 April 2014, aims to give businesses, charities and community amateur sports clubs a £2,000 tax cut off their National Insurance Contributions (NIC) bill.

The Employment Allowance should be of greater benefit to small businesses as it will reduce their National Insurance Contributions bill the most. Over 90% of the benefit of this allowance will go to small businesses with fewer than 50 employees.

This would mean that businesses should be able to employ four adults or ten 18-20 year-olds full-time on the National Minimum Wage without paying any employer National Insurance contributions at all.

How to Claim your Employment Allowance

When trying to claim your employment allowance, you can use your own payroll software, or HM Revenue and Customs (HMRC) Basic PAYE Tools to claim the Employment Allowance. If we already provide you with our payroll services then we shall be dealing with this on your behalf.

When you make your claim, you must reduce your employer Class 1 NICs payment by an amount of Employment Allowance equal to your employer Class 1 NICs due, but not more than £2,000 per year.

Once made, HMRC will automatically carry your claim forward each tax year.

So at the beginning of each year you should check your circumstances have not changed.

Does this apply to you and your business? Feel free to contact us for more assistance with this and any other payroll services you require.



Kelley Brown
PAYE manager



Online? Visit our website or **Like** us on Facebook for regular updates and a wealth of information

Changes in Capital Gains Tax - Principle Private Residence

With effect from 6 April 2014 an unwelcome change is coming about with regards to the period that the CGT relief, principle private residence will be available for.

Long has been the situation that where a person owns one or more properties that have been their main residence at any time, they are entitled to relief on the final period, if they dispose of a property even where they are not currently living in it. This change will reduce that period for which this relief is available from the current 36 months to only 18 months.

Therefore if you are contemplating selling a property (which you lived in at some time during your ownership of it) some tax planning should be looked at in advance, with the aim of avoiding a surprise increase in any potential tax bill!

We would be pleased to discuss any tax planning issues with you, so do get in contact regarding such matters.

Changes to Claiming Statutory Sick Pay (SSP)

As an employer you are responsible for operating the Statutory Sick Pay scheme, which includes making payments to employees who meet certain qualifying conditions. The weekly rate of SSP for days of sickness since 6 April 2013 is £86.70.

However it has now developed that UK companies with high numbers of staff who are on sick leave for more than four weeks will lose their right to government compensation as part of a scheme to help employees return to work. Medical assistance will be offered to small companies under the plan, whereby money will be recycled into a new scheme offering employers medical advice and assessments on whether staff should be entitled to sick pay, and how to encourage them back into work. Estimates from the Department for Work and Pensions suggest that around 960,000 people a year go on sick leave for one year or more, which the government says costs the economy £100bn per year.

The new scheme will not entail any change to existing laws. At present, staff who are off work for more than four weeks are considered to be long-term sick and entitled to Statutory Sick Pay. That will not change under the new arrangements - but the government want the Health and Work Service to cut the number of people on long-term sick leave.

Getting to know...



Sara-Jane Smyth
ACA ATT MIATI

Raised:
Fintona, Co.Tyrone

Family:
From a family of two, one twin sister. Now married to Alan

Favourite holiday destination:
Orlando, Florida

Favourite Hobby:
Badminton

Favourite food:
Steak, Chips and Peppered Sauce

Four celebrity dinner guests:
Samuel L Jackson, Ryan Gosling,
Liam Neeson and Rachel
McAdams

Favourite book/movie:
The Notebook

Three words that best describe me:
Hardworking, kind and determined

UPCOMING DEADLINES

		<u>Filed By</u>	<u>Paid By</u>
<u>PAYE</u>	Monthly	19th (of the next month)	19th (of the next month)
	January 2014	7th March 2014	7th March 2014
<u>VAT</u>	February 2014	7th April 2014	7th April 2014
	March 2014	7th May 2014	7th May 2014
<u>Corporation Tax:</u>		<u>Accounts to be with</u>	<u>Corporation tax</u>
<u>Accounting Year-End</u>	31st May 2013	<u>Companies House by:</u>	<u>payable by:</u>
	30th June 2013	28th February 2014	1st March 2014
	31st July 2013	31st March 2014	1st April 2014
		30th April 2014	1st May 2014

This concludes our newsletter. If you would like any further detail on any of the topics raised or would like any assistance on any other matter, please do not hesitate to contact us.